



JUN 7 2005

The Honorable Janet Napolitano  
Office of the Governor  
1700 West Washington  
Phoenix, Arizona 85007

419825

Dear Governor Napolitano:

It is with pleasure that I respond to the State of Arizona's request for an extension of Workforce Investment Act (WIA) waivers. This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act.

The State of Arizona is requesting an extension of the following approved waivers that expire June 30, 2005:

1. the waiver of the time limit on the period of initial eligibility of training providers at 20 CFR 663.530;
2. the waiver to permit 100 percent transfer between adult and dislocated worker programs at WIA Section 133(b)(4);
3. the waiver to re-direct payment of dislocated worker funds for six local areas (Apache, Gila/Pinal, Graham, Greenlee, Mohave/LaPaz, and Navajo Counties) to the Gila County Re-Employment and Pre-Layoff Assistance Center (REPAC);
4. the waiver to permit the Gila County REPAC to negotiate a uniform set of measures and represent the six local areas in preparation of the state annual report;
5. the waiver to re-direct payment to Gila County REPAC of any incentive funds earned by local area members of REPAC based on exemplary performance on the dislocated worker core indicators; and
6. the waiver to apply any applicable sanctioning to the Gila County REPAC with regard to those performance measures that were negotiated collectively.

The State of Arizona's request (copy enclosed) indicates that the need for the flexibility provided by these waivers is ongoing. The state is seeking an extension of the waiver related to initial eligibility to continue development of reporting mechanisms to collect

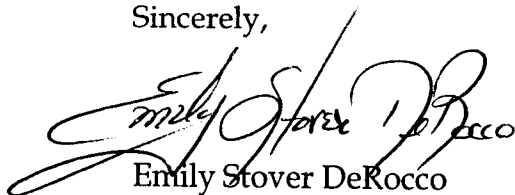
WIA service provider performance information. The funds transfer waiver supports WIA program design based on local needs. According to the request, the final four waivers have enabled the state to integrate service delivery in rural areas, improve services to dislocated workers, and leverage additional resources.

The waiver extension request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of Arizona is granted an extension of the six waivers through June 30, 2007.

The granted waiver extensions are incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitute a modification of the state's approved five-year strategic plan. As these waiver extensions are approved for Program Years 2005 and 2006, please incorporate them in your strategic plan for those years. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's approved five-year strategic plan.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. As you know, the waiver for funds transferability is consistent with the Administration's flexible WIA Plus Consolidated State Grants proposal. We look forward to our continued work with you on WIA reauthorization, and we are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,



Emily Stover DeRocco

Enclosure

Governor ~ Thanks for all your help!

